

TRANSMITTAL SLIP

TO:

DDI

ROOM NO.

BUILDING

REMARKS:

Mr. Kerr should
see this before
the 4:30, 16 July
SIG on South Africa.

NIO/AFRICA

7-E-47 CIA Hqs.

FROM:

ROOM NO.

BUILDING

EXTENSION

The Director of Central Intelligence

Washington, D.C. 20505

National Intelligence Council

NIC #03348-86

15 July 1986

MEMORANDUM FOR: Director of Central Intelligence

FROM: Frederick L. Wettering
National Intelligence Officer for Africa

SUBJECT: US Southern Africa Policy: Dispute Over
Whether to Support the Beira Corridor Scheme

1. A joint Mozambican-Zimbabwean-Zambian delegation is in town consulting with both government and private sector leaders and seeking additional investment in the so-called "Beira Corridor" economic scheme. The scheme is a \$265 million promotion to upgrade the road-rail-port complex from the Mozambican port of Beira to the connection with the Zimbabwean railway network, with ancillary projects designed to promote industry and agriculture along the line of track. Its promoters claim that this scheme will enable the Front Line States by 1989-90 to completely reroute all their import-export traffic away from South Africa.

2. Secretary Shultz has met the group and reportedly favors the scheme. State has tried to put an endorsement of the scheme in a forthcoming Presidential policy speech on southern Africa, but it has been blocked by the NSC Staff which correctly sees all the difficulties in the scheme.

3. The problems with the scheme are manifold. Briefly:

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- Security. The area is a RENAMO stronghold and RENAMO can be expected to seriously threaten any such development. The South African Government can be expected to resent the purpose of the scheme--reducing dependence on South Africa--and either support RENAMO's efforts to sabotage it or disrupt it themselves. Scheme promoters presume that Zimbabwean troops will continue to guard the corridor and have no other plan to address the security threat.

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25X1

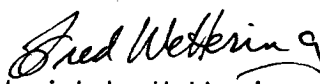
25X1

- Recipients. The USG has just suspended aid to Zimbabwe [redacted]
[redacted] we predicted US-Zimbabwe relations will become worse. There is broad opposition on the Hill to doing financial favors for Zimbabwe (Senator Lugar for example) as well as opposition to further helping the Machel regime (Senator Kasten for example).
- Funds. There are no extra funds budgeted for any such scheme, although some US funds (about \$80 million since 1980) have gone to the Southern African Development Coordination Committee (SADCC) annually. Budgeted SADCC funds could be earmarked for this program.
- Strategy. Even in the unlikely event that the scheme will work, making neighboring states less dependent on South Africa seems a questionable US strategy since it would likely lead to greater regional confrontations with South Africa.
- Economics. The economic objectives of the scheme are highly questionable. For example, it is most unlikely that this rail line/port could be expanded to handle the output of the Front Line States.

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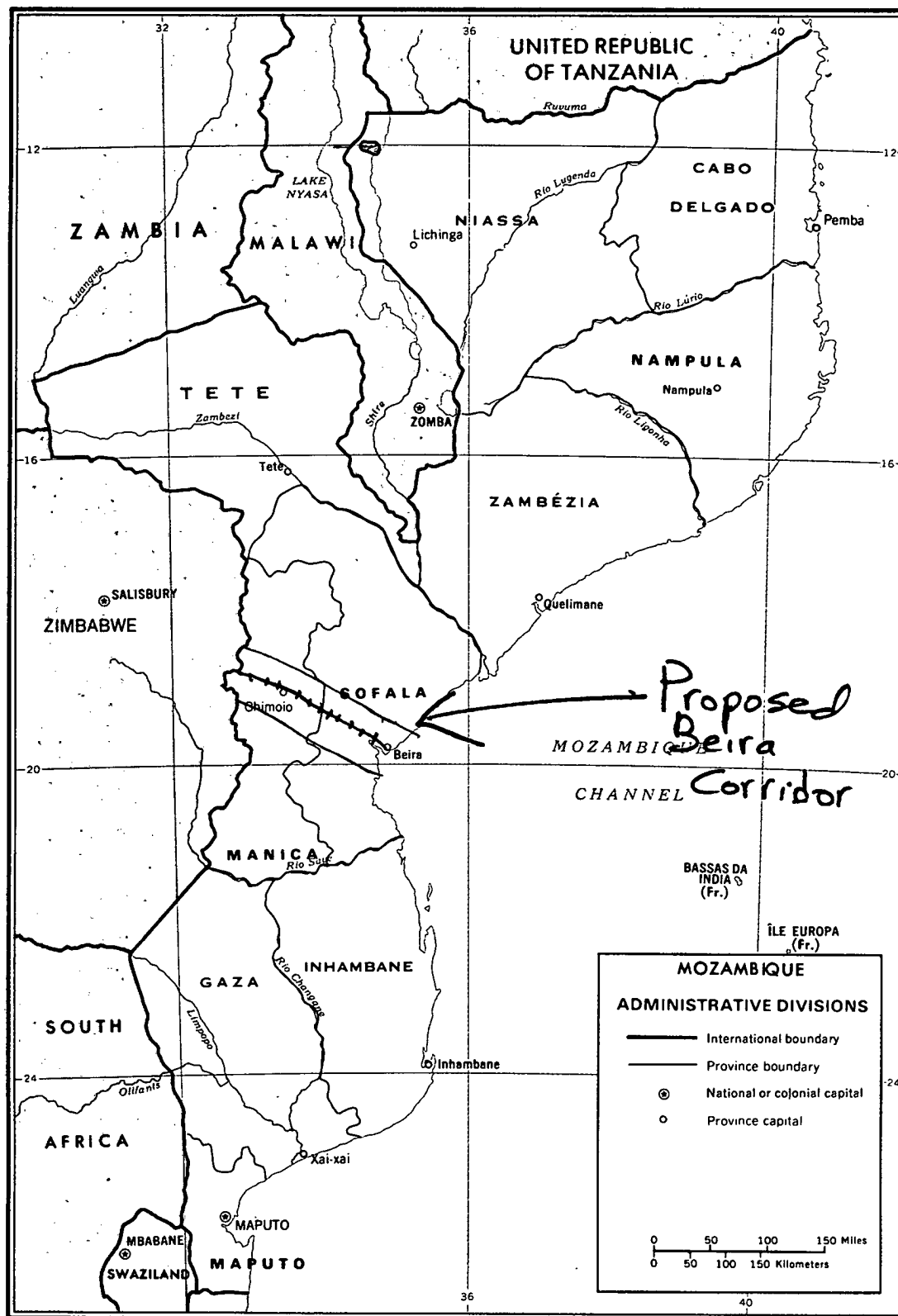
4. [redacted]

[redacted] The NSC has requested a typescript analysis from the DI to reinforce understanding of the security threat to endeavors in this area.


Frederick L. Wetters

Att: Map

25X1



25X1

SUBJECT: US Southern Africa Policy: Dispute Over Whether
to Support the Beira Corridor Scheme

NIO/AF/FLWettering

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